NCA
VOC FOR IOP/FN
BACKGROUNDER NO. 1-0714 MAY 5, 1976
PHILOMENA JUREY/WHITE HOUSE

PANAMA CANAL AND THE CAMPAIGN

ANNCR:

THE PANAMA CANAL HAS BECOME A BIG ISSUE IN THE U.S. PRESIDENTIAL ELECTION CAMPAIGN AND AS SUCH, HAS ATTRACTED CONSIDERABLE INTEREST. WHITE HOUSE CORRESPONDENT PHILOMENA JUREY HAS WATCHED IT EVOLVE AS AN ISSUE AND HAS THIS BACKGROUND REPORT:

ANNCR:

NEARLY EVERYWHERE THAT PRESIDENT FORD GOES IN HIS CAMPAIGN TRAVELS HE IS ASKED ABOUT THE U.S. NEGOTIATIONS WITH PANAMA ON THE PANAMA CANAL. AND AS THE CANAL HAS BECOME INCREASINGLY A SUBJECT OF CAMPAIGN DEBATE, IT HAS ALSO BECOME INCREASINGLY A OF NEWSPAPER AND MAGAZINE EDITORIALS, COMMENTARIES, ARTICLES AND OF MINI-DOCUMENTARIES ON U.S. TELEVISION NEWS PROGRAMS.

THE PANAMA CANAL NEGOTIATIONS HAVE BEEN GOING ON FOR YEARS -- ATTRACTING RELATIVELY LITTLE NOTICE. BUT AS THE PRIMARY ELECTIONS GOT GOING EARLY THIS YEAR, RONALD REAGAN RAISED THE TALKS AS AN ISSUE IN HIS CHALLENGE TO PRESIDENT FORD FOR THE REPUBLICAN PARTY'S PRESIDENTIAL NOMINATION.

MISTER REAGAN CONTENDS, IN WHAT HAS BECOME A FAMILIAR REFRAIN, THAT THE UNITED STATES BOUGHT THE CANAL, PAID FOR IT, OWNS IT, AND SHOULD NOT GIVE IT UP. IN MAKING THIS CASE, HE HAS APPEALED TO U.S. PRIDE AND PATRIOTISM, EVEN CHAUVINISM, AND HAS AWAKENED CONCERN THAT THE NEGOTIATIONS AMOUNT TO NEGOTIATING A GIVE-AWAY OF VITAL DEFENSE AND NATIONAL SECURITY INTERESTS.

THE REAGAN CONTENTIONS PUT PRESIDENT FORD IN A DEFENSIVE POSITION AND HE RESPONDED AT THE OUTSET BY INSISTING THAT THE UNITED STATES WOULD NOT GIVE UP, AND WOULD NOT BE GIVING UP ITS INTERESTS IN OPERATING AND DEFENDING THE CANAL. AS THE DEBATE HAS PROCEEDED, THE PRESIDENT HAS SOUGHT TO PUT IT IN A POSITIVE, RATHER THAN NEGATIVE LIGHT, AND TO EXPLAIN WHY THE UNITED STATES IS CARRYING ON THE NEGOTIATIONS. HE AND HIS AIDES HAVE CITED THE ASPIRATIONS OF THE PANAMANIANS, THE DESIRE TO AVOID THE ANTAGONISM OF THE COUNTRIES AND PEOPLE OF LATIN AMERICA, WHO OVERWHELMINGLY FAVOR THE NEGOTIATIONS.

OTHER POINTS MADE IN THE DEBATE INCLUDE THE PREMISE THAT IT IS INACCURATE TO SAY THE UNITED STATES OWNS THE CANAL, SINCE THE ORIGINAL 1903 TREATY GAVE THE UNITED STATES RIGHTS IN THE CANAL IN PERPETUITY AS IF IT WERE SOVEREIGN. AND ANOTHER POINT THAT'S MADE IS THAT THE CANAL'S USABILITY, OR VIABILITY, IS OF LIMITED DURATION. PRESIDENT FORD, IN ANSWERING QUESTIONS FROM STUDENT AUDIENCES AND IN PUBLIC FORUMS, HAS SAID THE UNITED STATES IS NEGOTIATING TO FIND A WAY SO THE CANAL WILL BE OPEN TO THE UNITED STATES AS LONG AS IT IS ECONOMICALLY VIABLE OR DESIRABLE FOR MILITARY OR ANY OTHER USE. THE ESTIMATED TIME OF THE CANAL'S USEFULNESS IS PUT AT UP TO FIFTY YEARS.

MEANTIME, MISTER REAGAN SHOWS NO SIGNS OF ABANDONING THE CANAL AS AN ISSUE. IN FACT, HE ESCALATED HIS STAND ON TUESDAY BY INDICATING HE WOULD RUN THE RISK OF GUERRILLA WARFARE IN ORDER TO HOLD ONTO THE CANAL. AT THE SAME TIME, A NEW FIGURE ENTERED THE DEBATE -- MISTER REAGAN'S FELLOW CONSERVATIVE

REPUBLICAN, SENATOR BARRY GOLDWATER. BUT MISTER GOLDWATER IS AT ODDS WITH MISTER REAGAN ON THE ISSUE. THE REAGAN STATEMENTS ON THE CANAL ARE IRRESPONSIBLE, MISTER GOLDWATER SAID. THEY REFLECT, HE ADDED, "A LACK OF UNDERSTANDING OF THE FACTS" OR "A SURPRISINGLY DANGEROUS STATE OF MIND, WHICH IS THAT MISTER REAGAN WILL NOT SEEK ALTERNATIVES TO A MILITARY SOLUTION WHEN DEALING WITH COMPLEX FOREIGN POLICY ISSUES."

PRESIDENT FORD, FOR HIS PART, FEELS THAT NEGOTIATING A NEW TREATY WITH PANAMA IS THE RIGHT POLICY, AND THAT THE CANAL IS NOT A LEGITIMATE CAMPAIGN ISSUE. HIS SPOKESMAN CALLS IT A FALSE ISSUE -- PHONY IS THE WORD HE USED.

IN ANY CASE, THE CANAL HAS PROVOKED NOT ONLY CAMPAIGN RHETORIC BUT ALSO HAS BEEN OF EDUCATIONAL ADVANTAGE TO U.S. CITIZENS. WHEN A NEW TREATY IS NEGOTIATED, IT WILL GO TO THE SENATE FOR ITS APPROVAL -- AND MANY MORE CITIZENS WILL KNOW WHAT IT'S ALL ABOUT THAN KNEW BEFORE THE CAMPAIGN STARTED.

AS FOR ITS VALUE OR WORTH AS AN ISSUE, THERE ARE TWO SCHOOLS OF THOUGHT WHICH HAVE EMERGED SO FAR IN EDITORIAL COMMENT. ONE VIEW -- AS VOICED BY WASHINGTON POST COLUMNIST BILL GOLD -- IS THAT THE U.S. STATUS IN THE CANAL ZONE IS EXTREMELY DELICATE AND REQUIRES PATIENT NEGOTIATION, AND THUS IT SEEMS IMPRUDENT TO MAKE A CAMPAIGN ISSUE OF IT. AND ANOTHER VIEW, ADVANCED IN A WASHINGTON STAR NEWSPAPER EDITORIAL, IS THAT THIS IS A LARGELY FALSE ISSUE, A TIMELY REMINDER THAT IN PRESIDENTIAL ELECTIONS, IMAGINARY OR TRANSITORY ISSUES OFTEN EXCITE PEOPLE UNDULY. THE STAR WENT

ON TO ASK RHETORICALLY:" WHO TODAY REMEMBERS -- OR CARES -- THAT SIXTEEN YEARS AGO THE FATE OF THE REPUBLIC WAS SAID TO HANG UPON THE DEFENSE OF QUEMOY AND MATSU, TWO SMALL OFFSHORE ISLANDS IN THE STRAITS OF FORMOSA?"

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